Amendments to the Claims

This listing of claims replaces all prior versions, and listings, of claims in this application.

Listing of Claims:

1. (Original) A method for managing investment portfolios comprising:

identifying at least one investment portfolio security to be sold in connection with a rebalancing of the investment portfolio; and

rebalancing the investment portfolio if a short-term capital gain or losses, which would result from the rebalancing of the investment portfolio, falls within a threshold for short-term capital gains or losses.

2. (Original) The method of claim 1, wherein the at least one security to be sold is identified based on a difference between securities in the investment portfolio and a target portfolio.

3. (Original) The method of claim 2, wherein the at least one security to be sold is identified by allocating at least one security to be sold to at least one tax lot associated with the at least one security to be sold and computing an implied total short-term capital gain or loss that would result from the sale of the at least one security to be sold from the at least one tax lot.

4. (Original) The method of claim 1, comprising identifying a plurality of securities to be sold in connection with the rebalancing of the investment portfolio based on a difference between securities in the investment portfolio and a target portfolio.

5. (Original) The method of claim 4, wherein the plurality of securities to be sold are identified by allocating the securities to be sold to at least one tax lot associated with the securities to be

sold and computing an implied total short-term capital gain or loss that would result from the sale of the plurality of securities from the at least one tax lot.

6. (Original) The method of claim 5, wherein the plurality of securities to be sold are allocated to at least one tax lot associated with the securities to be sold based on at least one allocation strategy selected from the group consisting of:

allocating the securities to be sold beginning with an earlier tax lot of a plurality of tax lots and proceeding to a later tax lot; and

allocating the securities to be sold beginning with a tax lot of a plurality of tax lots having a higher cost basis and proceeding to a tax lot with a lower cost basis.

7. (Original) The method of claim 5, wherein the plurality of securities to be sold are allocated randomly to a plurality of tax lots.

8. (Original) The method of claim 1, comprising identifying a plurality of securities to be sold in connection with the rebalancing of the investment portfolio based on a difference between securities in the investment portfolio and a target portfolio, the plurality of securities identified by allocating randomly, a plurality of times, the securities to be sold to a plurality of tax lots associated with the securities to be sold, computing an implied total short-term capital gain or loss that would result from the sale of the plurality of securities to be sold in accordance with each of the random allocations, and selecting from the plurality of random allocations one of the allocation that results in the smallest implied short-term capital gain or loss, and the allocation that most closely matches a pre-set targeted short-term capital gain or loss.

9. (Currently Amended) The method of claim 1, comprising rebalancing the investment portfolio if a total short-term capital gain or loss for the year, which would result from the rebalancing of the investment portfolio, falls within a threshold for short-term capital gains or losses.

10. (Currently Amended) The method of claim ~~1~~9, wherein the threshold for short-term capital gains or losses is about 2% of the value of investment portfolio's assets.

11. (Currently Amended) The method of claim ~~1~~9, wherein the threshold for short-term capital gains or losses is defined by an investor.

12. (Original) A method for managing investment portfolios comprising: determining a difference between securities in the investment portfolio and a target portfolio; identifying a plurality of securities to be sold based on the determined difference;

allocating randomly, a plurality of times, the securities to be sold to a plurality of tax lots associated with the securities to be sold;

computing an implied total short-term capital gain or loss that would result from the sale of the plurality of securities to be sold in accordance with each of the random allocations; selecting from the plurality of random allocations the allocation that results in the smallest implied short-term capital gain or loss; and

rebalancing the investment portfolio if the implied short-term capital gain or loss for the selected random allocation falls within a threshold for short-term capital gains or losses.

13. (Original) A system for managing investment portfolios comprising at least one computing device having software associated therewith that when executed performs a method comprising:

identifying at least one investment portfolio security to be sold in connection with a rebalancing of the investment portfolio; and

rebalancing the investment portfolio if a short-term capital gain or loss, which would result from the rebalancing of the investment portfolio, falls within a threshold for short-term capital gains or losses.

14. (Original) The system of claim 13, wherein the method comprises identifying a plurality of securities to be sold in connection with the rebalancing of the investment portfolio based on a difference between securities in the investment portfolio and a target portfolio.

15. (Original) The system of claim 14, wherein the plurality of securities to be sold are identified by allocating the securities to be sold to at least one tax lot associated with the securities to be sold and computing an implied total short-term capital gain or loss that would result from the sale of the plurality of securities to be sold from the at least one tax lot.

16. (Original) The system of claim 15, wherein the plurality of securities to be sold are allocated to at least one tax lot associated with the securities to be sold based on at least one allocation strategy selected from the group consisting of:

allocating the securities to be sold beginning with an earlier tax lot of a plurality of tax lots and proceeding to a later tax lot; and

allocating the securities to be sold beginning with a tax lot of a plurality of tax lots having a higher cost basis and proceeding to a tax lot with a lower cost basis.

17. (Original) The system of claim 15, wherein the plurality of securities to be sold are allocated randomly to a plurality of tax lots.

18. (Original) The system of claim 13, wherein the method comprises identifying a plurality of securities to be sold in connection with the rebalancing of the investment portfolio based on a difference between securities in the investment portfolio and a target portfolio, the plurality of securities identified by allocating randomly, a plurality of times, the securities to be sold to a plurality of tax lots associated with the securities to be' sold, computing an implied total short-term capital gain or loss that would result from the sale of the plurality of securities to be sold in accordance with each of the random allocations, and selecting from the plurality of random allocations the allocation that results in the smallest implied short-term capital gain or loss.

19. (Original) The system of claim 13, wherein the method comprises rebalancing the investment portfolio if a total short-term capital gain or loss for the year, which would result from the rebalancing of the investment portfolio, falls with a threshold for short-term capital gains or losses.

20. (Original) The system of claim 13, wherein the threshold for short-term capital gains or losses is about 2% of the value of investment portfolio's assets.

21. (Original) The system of claim 13, wherein the threshold for short-term capital gains or losses is defined by an investor.

22. (Original) A system for managing investment portfolios comprising at least one computing device having software associated therewith that when executed performs a method comprising:

determining a difference between securities in the investment portfolio and a target portfolio;

identifying a plurality of securities to be sold based on the determined difference;

allocating randomly, a plurality of times, the securities to be sold to a plurality of tax lots associated with the securities to be sold;

computing an implied total short-term capital gain or loss that would result from the sale of the plurality of securities to be sold in accordance with each of the random allocations;

selecting from the plurality of random allocations the allocation that results in the smallest implied short-term capital gain or loss; and

rebalancing the investment portfolio if the implied short-term capital gain or loss for the selected random allocation falls within a threshold for short-term capital gains or losses.

23. (New) The method of claim 1, wherein the short-term capital gain or losses which would result from the rebalancing of the investment portfolio is computed as a sum of the short-term gain or losses of each of the at least one investment portfolio security to be sold in connection with a rebalancing of the investment portfolio.

24. (New) The system of claim 13, wherein the short-term capital gain or losses which would result from the rebalancing of the investment portfolio is computed as a sum of the short-term gain or losses of each of the at least one investment portfolio security to be sold in connection with a rebalancing of the investment portfolio.